



**Australian Government**  
**Department of Finance**

**Rosemary Huxtable PSM**  
**Secretary**

Our Ref: EC19-000868

Mrs Lucy Wicks MP  
Chair  
Joint Committee of Public Accounts and Audit  
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Dear Mrs Wicks

**JCPAA EFFICIENCY AND EFFECTIVENESS INQUIRY**

Thank you for the opportunity to make a submission to the Joint Committee of Public Accounts and Audit inquiry into Efficiency and Effectiveness, which includes the consideration of the Australian National Audit Office (ANAO) Report No. 38, 'Application of the Cost Recovery Principles' (the Report).

The Report made four recommendations, with Recommendation 2 directed to the Department of Finance (Finance). The ANAO recommended that Finance:

- (a) advise entities at the start of each budget year of their obligation to update their Cost Recovery Implementation Statements;
- (b) review and refine the charging guidance to address issues listed in the Report; and
- (c) explore additional mechanisms to improve entities' compliance with the Cost Recovery Guidelines, including through the biennial charging survey.

In responding to the Report, Finance agreed to Recommendation 2 and advised it would be implemented as part of the department's ongoing work to strengthen guidance in relation to charging across the Commonwealth.

Finance has increased information in the Budget Process Operational Rules on whole-of-government policies, including the Australian Government Charging Framework (Charging Framework), to assist entities understand their policy obligations.

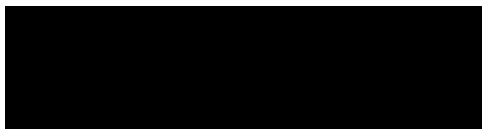
In addition, Finance is strengthening whole-of-government charging guidance by combining the Charging Framework and the Cost Recovery Guidelines into a consolidated document that will also support findings in the Report.

Finance continues to conduct the biennial charging survey to improve charging information for the Government and Commonwealth entities. A key deliverable of this work is the portfolio summaries that now link data supplied by portfolio entities with the requirements of the Charging Framework. This work provides compliance information for portfolio entities with the Charging Framework.

The information gathered through the biennial charging survey will also inform Finance's ongoing work with entities, including identifying issues to be addressed as part of the rolling five-yearly schedule of portfolio charging reviews.

Finance will continue to support and work closely with entities to manage their compliance responsibilities.

Yours sincerely



Rosemary Huxtable  
Secretary

16 October 2019